

DCI/IC-77-0781
14 April 1977

MEMORANDUM FOR: Deputy to the DCI for the Intelligence Community
FROM : [REDACTED]
Special Assistant to the D/DCI/IC
SUBJECT : NSA and National Reconnaissance Issues in
Response to PRM-11

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1. Whether NSA and the office responsible for satellite reconnaissance activities should be removed from the Department of Defense and report directly to the senior U.S. intelligence officer is one of the options bound to be considered in development of the response to the President on PRM-11.

2. As background for DCI use in discussion of these matters, I have prepared the two attachments, one dealing with NSA and one with the national reconnaissance activities. In each case I have posed a question, provided a series of matching pros and cons and drafted recommendations. The [REDACTED] is not specifically discussed, but most of the pros and cons re the satellite reconnaissance effort also would be applicable to [REDACTED]

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Attachments:
as stated

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(14 April 1977)

PRM-11 QUESTION: Should the National Security Agency (NSA) be separated from Defense Department jurisdiction and made directly subordinate to the senior U.S. foreign intelligence officer?

PRO

a. If it is intended markedly to strengthen the authority and managerial position of the senior U.S. intelligence officer, it will be essential that he have direct operating control of the major national intelligence programs, which includes the NSA as well as CIA and the national reconnaissance activities.

b. Collection and processing of SIGINT is a national responsibility of such importance that the Director, NSA, should report directly to the President or his designated senior intelligence officer.

c. Separate agency status would eliminate the risk that needs for political and economic information would be subordinated to the requirements for military information.

CON

a. The DCI already has mission tasking authority as regards NSA (i.e., he tasks NSA to respond to national intelligence requirements), and he reviews the NSA budget during development of the National Foreign Intelligence Program. These are the primary areas of DCI interest concerning NSA. Direct operating control of NSA is not essential to execution of the DCI role as primary adviser to the President.

b. Collection and processing of SIGINT has long been recognized as a national responsibility, and the national character of the NSA operation has not been degraded by its organizational subordination to the Secretary of Defense.

c. The DCI, through his DCI SIGINT Committee now controls the validation of requirements against which NSA and the Program III elements of the service cryptologic agencies are tasked. The system is designed to provide balanced consideration of requirements of all types, non-military as well as military.

PROCON

d. The continuing need for military intelligence inputs would be fully recognized by an independent NSA, and there would be no diminution of responsiveness to Defense needs, particularly those of operational commanders.

e. The cryptologic program is both so expensive and so important that its program and budget should be reviewed at the national level and not within the Defense Department, where the SIGINT element of the departmental budget is a relatively small item.

f. Administrative problems involved in establishing NSA as an independent agency would be relatively short-lived.

d. It is essential that the Secretary of Defense be executive agent of the Government for signals intelligence if he is to assure that cryptologic units are sensitive to military needs for information particularly in time-sensitive and combat-related situations.

e. E.O. 11905 and the NSC Policy Review Committee provide an arrangement for developing the cryptologic program budget as part of the National Foreign Intelligence Program budget in parallel with the DoD budget review process. Amendment of E.O. 11905 to clarify DCI authorities in the programming and budget arena could assure development of the cryptologic program budget at the national level without actual removal of NSA from DoD jurisdiction.

f. Most of the personnel in the Consolidated Cryptologic Program managed by DIRNSA are active duty military, and the U.S. has had no experience with operation of an independent agency manned primarily by military officers and enlisted men. Retention of a large military element in an agency independent from DoD would pose continuing and unprecedented administrative problems. Conversion of cryptologic program to an all-civilian activity would markedly increase program costs.

PRO

g. Costs of running a cryptologic program by an independent NSA would not be markedly larger than under the present arrangement.

h. A strong Presidential position in support of an independent NSA would overcome expected Defense Department opposition to such a move.

CON

g. While overall costs, within the Federal budget as a whole, need not be markedly larger, the costs charged to the National Foreign Intelligence Program could increase considerably since it would be logical for the Defense Department to charge any independent NSA support costs carried elsewhere in the Defense budget, (e.g., user charges for DoD owned buildings, reimbursement to DCA for communications service, increased courier costs, etc.).

h. Aggressive DoD opposition can be expected to any move to remove NSA from Secretary of Defense jurisdiction. The case for such removal is by no means clearcut, and because of this it is logical that the President would support Secretary of Defense objections to such a move.

RECOMMENDATIONS:

a. The DCI should not support establishment of the NSA as an agency reporting directly to him and independent from the Department of Defense.

b. Instead, the DCI should seek to assure that E.O. 11905 is amended to give the DCI clear authority for direct contact with managers of intelligence programs and heads of intelligence organizations, and authority to task and obtain direct responses from Intelligence Community elements such as NSA on planning, programming and budget matters.

PRM-11 QUESTION: Should the Defense Department executive agent responsibility for national reconnaissance activities be ended and the senior U.S. intelligence officer assigned responsibility for supervision and management of the program?

PRO

a. If it is intended markedly to strengthen the authority and managerial position of the senior U.S. intelligence officer, it will be essential that he have direct operating control of the major national intelligence programs, which include the national reconnaissance activities as well as the CIA and NSA.

b. Collection and processing of imagery and other intelligence data required by sensors in space is a national responsibility of such importance that the director of the program should report directly to the President or his designated senior intelligence officer.

c. Separate agency status for the program would provide greater assurance that all needs for imagery and signals collectable by satellite are given balanced attention.

CON

a. The DCI already has mission tasking authority for imagery and other collection by satellites (i.e., he tasks the program to respond to national intelligence requirements), and he reviews the budget proposals for national reconnaissance activities during development of the National Foreign Intelligence Program. These are the primary areas of DCI interest concerning reconnaissance matters. Operating control of the reconnaissance program is not essential to execution of the DCI role as primary adviser to the President.

b. The collection of intelligence information by satellites has been recognized as a national responsibility since inception of the program, and the national character of the operation has not been downgraded by having the U.S. Air Force provide the Director information or having his staff located within the Air Force.

c. The Director of the program and his staff do not establish requirements. They respond to requirements levied on the systems by the DCI through his Committee on Imagery Requirements and Exploitation (COMIREX) and his SIGINT Committee.

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PRO

d. Removal of operational control of national reconnaissance activities from the Defense Department would not downgrade the responsiveness of the program to military needs.

e. Even though an independent agency was made responsible for operation of the national reconnaissance effort, arrangements would be made to assure proper support for Defense Department operational needs in wartime.

f. The national reconnaissance program is both so expensive and so important to the acquisition of needed intelligence data that its budget should be determined at the national level and not as a quite small element of the Defense Department budget.

CON

d. It is essential that the Secretary of Defense control national reconnaissance activities in crisis and combat-related situations in order to assure that these activities are directly responsive to military needs; this argues for retention within DoD of control over the organization which runs the operation.

e. Removal of the program from Defense Department aegis would markedly complicate the task of interfacing national and tactical intelligence requirements in time of war. Retention of executive agency responsibility within DoD would facilitate planning for what would be markedly different tasking arrangements in wartime.

f. E.O. 11905 provides a mechanism for review of the budget for national reconnaissance activities as part of the National Foreign Intelligence Program. If the President so desires, E.O. 11905 could be amended so that the NSC Policy Review Committee can control development and review of the national reconnaissance budget outside the DoD budget review process. This would not require removal of the reconnaissance organization from Defense.

PRO

g. Even though the support costs involved in operating the reconnaissance program through an agency separate from DoD would require a considerable addition to the present reconnaissance budget, the overall costs to the U.S. Government would be no greater.

h. The program under which national reconnaissance activities are conducted has matured to the point that all intelligence activities involving satellites, including R&D programs, should be brought under a single roof, which a separate agency directly responsible to the senior U.S. intelligence officer could provide.

CON

g. It is a fair assumption that support costs now borne by the USAF and not included in the national reconnaissance budget would be charged against the budget of any non-DoD organization operating the program. The overall cost to the U.S. Government might not be markedly larger, but the Congress would look upon these charges as an increase in the "intelligence budget" at a time when Congress already is deeply concerned at the cost of foreign intelligence activities.

h. The current program, combining as it does the interests and activities of four organizations (CIA, USAF, Navy and NSA) as well as the Office of the Secretary of Defense, is working effectively. Nothing would be gained and much could be lost by removing planning and R&D responsibilities from these separate organizations and combining them in a single organization. There is need to update the 1965 Memorandum of Understanding signed by the DCI and the Deputy Secretary of Defense to guide conduct of the program, but drastic surgery is not needed.

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RECOMMENDATIONS:

a. The DCI should not support any effort to remove from the Defense Department the Air Force office now responsible for the conduct of national reconnaissance activities in space.

b. Instead, the DCI should:

(1) Support an amendment to E.O. 11905 that would give the DCI clear authority for direct contact with the director of the reconnaissance program and authority to task directly and obtain direct responses from the program manager on planning, programming and budget matters; and

(2) Initiate action to update the 1965 Memorandum of Understanding which now covers the program and have the new paper issued as a National Security Council Intelligence Directive.

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